6

have good marketing expertise from successfully selling bypass access in an intensely competitive business market segment. The major challenges for CAPs will be in the residential markets, where insufficient residential loops, lack of experience in providing switch-based services, low brand recognition, and relatively little expertise in marketing to the mass-market consumer segment will prevent substantial short-term market penetration.

interexchange Carriers

Long distance companies have the capital resources to construct and maintain new facilities, as well as brand name and marketing expertise to effectively capture business market share. They have been offering LEC-independent local services to business customers for years through CAPs, resold private access lines, and privately constructed access facilities. They also have the technical savvy to market data products to business customers in a solutions-oriented approach.

Some interexchange carriers (IECs) have been actively constructing local facilities. Ownership of local access and switching facilities, or strategic partnering to acquire the use of facilities, will position them with a strategic advantage in several ways. First, having local facilities allows an IEC to avoid purchasing potentially margin-poor wholesale services from the incumbent LEC Second, IECs with their own facilities can bundle local and long distance services to provide "one-stop shopping" (the largest IECs are not able to offer bundled resold local and long distance services in a particular market as a result of the 1996 Act, which specifically bars such activity until the RBOCs are allowed to offer long distance services in that market). Third, an IEC can minimize or eliminate access charges paid to LECs for originating and terminating interexchange traffic by provisioning it on their own facilities or those of their partners. Last, IECs with excess capacity can recomp costs of the local infrastructure by targeting unwanted or low-margin markets through wholesale distribution channels. Resale of local services can also be a viable strategy if quick market entry is required or if construction of local facilities is risk- or cost-prohibitive. But margins may be lower, bundling is restricted, and any interexchange calls originating over resold local services will cost the IEC access charges.

Challenges in the business markets will come from competitive price pressure, mainly from resellers, as well as wavering customer loyalty (churn) in a highly competitive environment. The residential markets offer the largest opportunity for long distance carriers; they can leverage their substantial marketing muscle to attract new customers. They also possess the switching, networking, and billing expertise to provide quality service to a demanding public.

Local Exchange Companies

RBOCs and independent local exchange companies (LECs) have a lot to lose in terms of local service market share. Yet they have a lot to gain as well given their entrenched base of loyal customers, their ownership of local facilities, and their ability to provide long distance services once competition develops to their local service area. LECs can recapture a significant proportion of lost market share to resellers through the wholesale pricing structures under the "discount off retail" concept. They can also recover a portion of lost revenue to facilities-based providers through sale of unbundled network changes where a significant economy of scale exists.

LECs have substantial capital resources for expansion into out-of-region, local services within alliances and strategic synergies with other products, such as wireless services. There is a lot the LECs can do to avoid losing relatively loyal customers who are typically resistant to change, especially in the residential markets, but they will be challenged to stay ahead of competitors through competitive intelligence and to develop marketing programs to prevent erosion of their customer base. The business markets are where LECs are illuly to face the most challenges. Loss of market share may be substantial because of a historical dissatisfaction with monopoly pricing, regulatory constraints on pricing, and lack of marketing and technical sales expertise.

Cable TV Companies

Cable TV (CATV) companies have an embedded base of residential customers who are connected to the company via an infrastructure that could potentially provide local voice service. The challenges for capturing residential local telephone market share in the short term are mainly technical; however, there are also business issues that must be resolved. Technically, the means of delivering higher-bandwidth, one-way, nonswitched analog TV signals does not lend itself well to providing the two-way, switched digital signals that characterize today's state-of-the-art voice and data telecommunications services. As a result, CATV providers must upgrade their networks to accommodate the new types of traffic. Other challenges are lack of marketing expertise and low customer loyalty. Business advantages include the ability to bundle local and long distance service, customer brand awareness, and the financial resources to upgrade networks or form. strategic partnerships to compensate for weaknesses. For CATV companies to successfully target business customers, they will have to do so through strategically placed, high-volume network build outs, strategic partnerships, or resale of existing infrastructure.

Switchiess Resellers

Nonfacilities-based or "switchless" resellers have an opportunity to bundle resold local and long distance service, and have an established business costomer base familiar with the advantages and disadvantages of buying from these providers. They also have the sales experience to penetrate former monopoly markets. They may be the first to capture market share, especially from price-conscious business customers. Their major challenge is that resold local service is relatively nonexistent, and the process by which LECs file wholesale rates with state public utilities commissions is still being ironed out. Without existing facilities, resellers' entry into local service markets will in large part depend on what margin of profitability is possible with the wholesale rate structures once they are approved. With resold interexchange services, private negotiations with nondominant carriers was the rule; resulters' profitability was subject to their ability to negotiate favorably with facilities-based providers without regulatory scruting. Local services will be a different matter. Rates will be very public and very equal. They may have to operate on rezor-thin margins in order to capture business market share. Switchless recellers also lack the brand name, marheting expertise, technical sales skills, and customer loyalty of other moresavvy competitors. In the residential markets, resellers without a wellknown brand affiliation or other strategic alliance will have a difficult time capturing significant market share.

Public Network Services North America

The Top Local Service Products

In Desaquest's opinion, strategic advantages and disadvantages will be significantly different for those competitors targeting business versus residential market segments. What follows is Dataquest's perspective of the local products with the highest potential for RBOC revenue at risk.

Residential Value Service

This includes basic service such as dial tone, local transport of voice traffic to switching facilities, basic local switching, intraLATA toll service, interexchange (IEC) access, directory assistance, emergency (911) services, custom calling features, and repair services.

Business Voice Service

This includes basic service such as dial tone, local transport of voice traffic to switching facilities, basic local switching, intraLATA toll service, directory assistance, emergency (911) services, Centrex services, and interexchange access if not provided through an interexchange carrier or competitive access provides.

Business Data Services

These include higher-bandwidth internetworking and network access products. Those that offer the greatest revenue potential are leased lines (DSO through T3), integrated services digital network (ISDN), frame relay, and Asynchronous Transfer Mode (ATM).

Dataquest Predicts

The state of flux in local telecommunications is just beginning. In the business markets, Detaquest predicts that CAPs and IECs will be the greatest beneficiaries. This is mainly because of the CAPs' strategically focused facilities and ability to bundle local and long distance services and the IECs' capital resources, marketing expertise, and technical sales skills. Resellers may also realize apid market penetration with business customers through quick market entry via resale contracts and strong sales skills applied to a bundled product offering. In residential local markets, IECs have the most strategic advantages, including unmatched expertise in packaging and marketing telecommunications products in the mass market, household brand names, and ample capital resources for construction of residential facilities, regotiation of strategic partnerships, or bulk purchase of whole-sale services for resale.

| for More intermettee | | |
|---------------------------------|------------------|----------|
| Elleen Healy, Principal Analyst | (408) | 468-820 |
| Internet address eheal | y G dataq | uestcon |
| Via fax | (405) | 954-1780 |



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Question Exhibit 6...



Hope vs. Calvin: The Rivalry

Mike Knuble adapts
to the pro game

Floyd Mayweather, Jr. goes for the gold

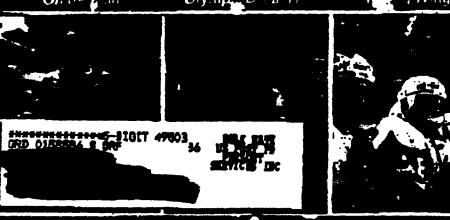
Mackers have a Big 10 flavor

On the run with Brian Diemer

Olymp#iDreaden

27-Feb 1886

The Wing



Question 6





OWCAS

New team wins in "Name Game"

rand Rapids' new Interna- I tional Hockey League franchise finally has a team name and a logo. So now, West Michigan Hockey, Inc. can proceed to more pressing matters, such as putting the finishing touches on its management team, building a roster, and marketing

tickets and merchandise. Over 3000 Entries "Griffins" was selected from over 3,000 entries submitted by area sports fans during a contest conducted during the summer months. Eight local fans chose the name, which

body of a lion. In Greek mythology, the griffin was the awardian of

aald.

Brave, Noble "The animal represents bravery, nobility, strength, and switnesscharacteristics synonymous with athletic teams." says D a v i d VanAndei, chairman of West Michigan Hockey Inc.

The logo was designed by the New York firm : Sean Michael Edwards Design, Inc., which specializes in athletic loops. SME has designed logge for the Seattle Mariners and more recently the NBA Toronto Raptors and NHL Florida Panthers.

Good Logo is Key We've spent a great deal of time and energy developing what we believe will become one of the most appealing marks in professional sports."

The Griffins will open play this fail in Grand Rapids' new downtown arena. The arena, located south of Fulton Avenue in downtown Grand Rapids, will seat approximately 11,000 for hockey and is scheduled to be completed in time for the upcoming season.

21 IHL Franchises

named Quebec City franchise in the rapidly growing IHL which will now have franchises. Quebec has been without a professional hockey team since the NHL Nordiques relocated to Deriver prior to the current season.

The Greater Grand Rapids market, without an IHL team since the Owls disbanded in 1980, compares favorably with other IHL markets. It is the 45th largest market in terms of metropolitan area population in the U.S. with nearly 1 million residents.

Naturally, IHL commissioner Bob Uter is excited about the new teen.

The new state-ofthe-art downtown arena, combined with a strong corporate base and solid business growth, makes Grand Rapids a great market for the IHL

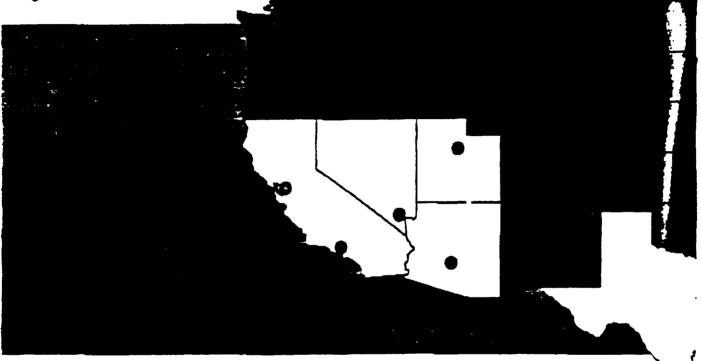


says Daniel G. DeVos, president and CEO of West Michigan Hockey Inc. "We're now ready to preparation for our inaugural season.

Exhibit 6.27



The Grand Rapids Griffins will join the International Hockey League (IHL) for the 1996-97 season, along with the league's only Canadian franchise. Quebec City, The two new teams will bring the IHL's total to 21 franchises. The IHL has changed considerably since the Grand Rapids area's last entry, the Ows, disbanded following the 1979-80 season. Once comprised predominantly of Michigan teams, the IHL now has tranchises in such lucrative markets as Los Angeles, San Francisco, Las Vegas, Houston and Phoenix.



Western Conference

Michaes Division



Marie Charle L (2.5 miles)



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hwest Division



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The San As M CHILLIA Parties (11,416)



THE SELENCE OF IT PERSON



AZ /1 m

Northern Division



Charles Creams (H.Charles)



The Part States IN 1172.000:



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Question 6: Exhib+ 6.128

ids on the IHL Map

Once the Griffins takes the ice in Grand Repids' new 11,000-east arena, the IHL will have three Michigan-based teams, including the Michigan (formerly Katamazoo) K-Wings and the Detroit Vipers.

It is difficult to overstate the recent auccess of the IHL. The number of teams has nearly doubled since the 1967-88 season, and average attendance has risen from 2,942 per contest to 8,261 during the past 10 seasons. The IHL truly offers hockey excitament from coast to coast, and now Grand Rapids boasts one of its finest franchises. III







III: Ramps the Laters







R THE

The employees of AT&T join all West Michigan hockey fans in wishing the very best to our own IHL Grand Rapids Griffins.

It's exciting to see West Michigan grow in size. facilities, and entertainment opportunities. With the completion of new arena in downtown Grand Rapids, the dropping of the puck at center ice next October, will give us all occasion to celebrate another milestone in our city's rich and colorful history.

Meanwhile, AT&T also plans to play an important role in the growth of this area. From quality longdistance service to the latest technology applied to

home and business telephone systems, we will be working hard to win your business.





Blocked.

dial 1 8 0 0 C A L L A T T

Never Blocked.

Whether calling across town' or across the country, your card calls always get through, if you Know The Code."



Price Property

City to hook up with new phone company

D- JONNE BALEY

U.S. Signal is in and American is out:

That was the decision made by the Best Grand Rapids City Commission Monday night whist commissioners voted ununimously to follow a mounmendation made by City Manager Brian Donovan to switch phone companies.

Desoven said other seceiving information on a voice tenti system, U.S. Signal Corporation approached the city about misphone service. U.S. Signal has been able to provide josel telephone service aimoe September 1995, Denoven said.

After doing some price comparisons between Americach and U.S. Signal, staff recommended the switch since it would save the city about \$12,468.48 per year, Donovan said.

"I think we all are used to dealing with Ma Hell in some way, shape or form, but we have had U.S. Signal at my office and have been dute happy with the service," said Third Ward Commissioner Jenes Fraids.

First Ward Commissioner Cleary Becomes said during the life of the contract, which is four years, the city is expected to save around \$50,000, which is a "substantial" servings.

The city's existing contrast with American expires May 31, 1996. The U.S. Signal contract will start June 1, 1996.

The city will pay \$2,214.45 per month for the phone service to all of its municipal buildings. With Americal, the monthly bills were around \$3,253.49. There also be a one-time installation charge of \$2,060 for U.S. Signal.

Denovan said the city may see all cost baselits through the implementation of a veice mail system and improvements to the city's existing telephone system. Also, U.S. Signal has offered to install a fiber optic cable to the city's expess and utilities building at no charge, Denovan said. This move could save the city as reach as \$36,000 if fiber optic cable was decided upon for the city's proposed computer network system, he said.

The Grand Rapids Press, May 9, 1995, Page DS

that wis good

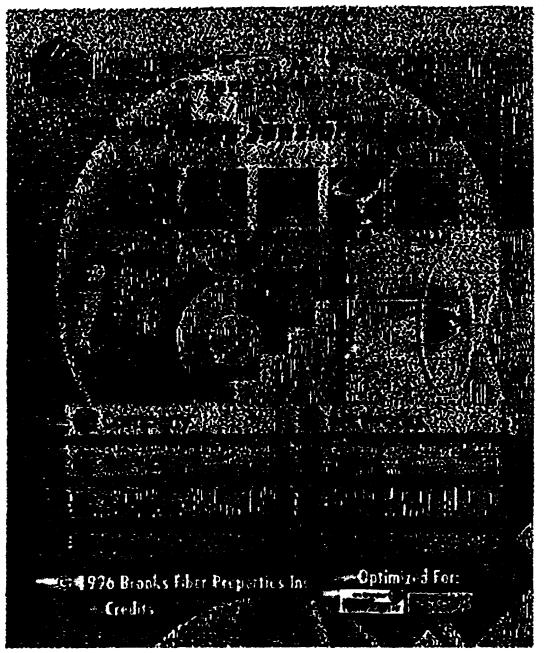
Choice is great.

Choice is Grand

We want Grand Rapids to be one of the first cities in the mation to have ANN as a choice for local calls.

Vertex Minister may be one of the first stage in the nation to have a distinct to was Affiliate leady and, and all improved the place is being distinct. It was been started to place but, it is one happy than in the name factor the extension and being vertex. It was the name factor the extension that the started the extension than the factor the extension that the extensio





What's New | Seench | Download | FAO | R-mail
Company | Services | Benefits | Networks | News | Careers | More Information
Credits

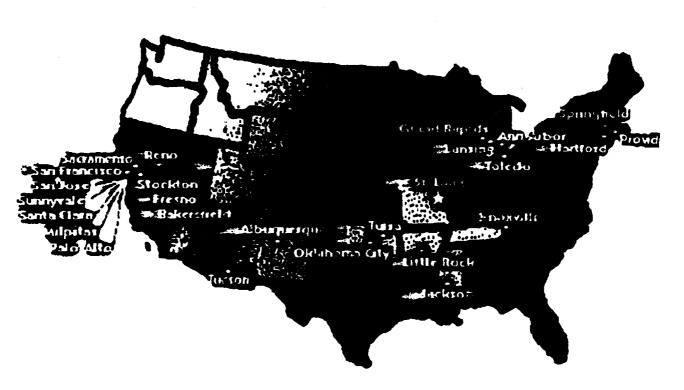
QUESTION 6 EXHIBIT 6.33



BROOKS FIBER COMMUNICATIO



Brooks Fiber U.S. Networks



Trainle Monagement (271)





US SIGNAL CORPORATION'S NETWORK GENERAL DESCRIPTION

The public network of US Signal is a combination of owned and leased facilities.

US Signal currently owns two switches in Michigan, and one in Indianapolis. A parmering relationship exists with ATS Network Communications for a switch in Memphis. TN. The switches in Memphis and Indianapolis are Northern Telecom DMS 250's. The Grand Rapids switch is a Northern Telecom DMS 500. The Detroit switch is a DEX 400 and scheduled to be replaced with a Northern DMS 250 by the end of 1994.

The leased facilities are the facilities used to originate and terminate long distance traffic. US Signal has long term lease agreements for fiber capacity throughout the country from a variety of vendors. The fiber suppliers are evaluated based upon redundancy, diversity, capacity, response time, and pricing. The primary fiber vendors are: MCI, WilTel, IXG long distance/CTGI, Consolidated Communications, Teleport and AT&T.

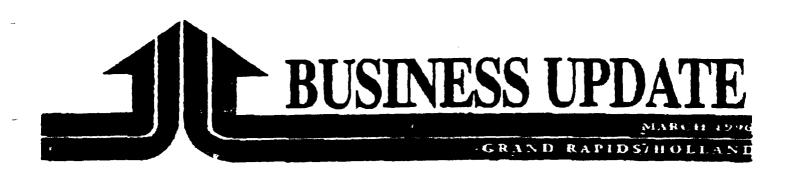
The general design of the network is a DSJ fiber backbone to major liber centers across the country. From these centers, the network is sealed down to each LATA via either DSJ or DSI to originate and terminate traffic in conjunction with the local exchange networks. Through the use of a variety of vendors and fiber routes US Signal is able to provide redundant fiber paths to assure the completion of phone calls as well as private line connections via DSI access comprised of twenty four (24) 64kbs shannels.

US Signal uses a network management system which tracks major failures, such as T-1 outages, on the network. Unless otherwise engineered, the affected T-1 can be remotely tested via a SARTS test port in a digital cross connect system or DACS. The point of T-1 failure can be identified and referred out to the proper repeit center. In addition to nectwork circuit alarms, basic telemetry information such as low and high temperature, heat, amoke, and intrusion alarms are specifically coded and transmitted for immediate action.

If you have any further questions please contact Larry VanderVeen, E.V.P. of Operations, US Signal Corporation at 1-800-968-2222.

MPSC Case No. 4-11164 Attachment A Question 6

Exhibit 6.3:



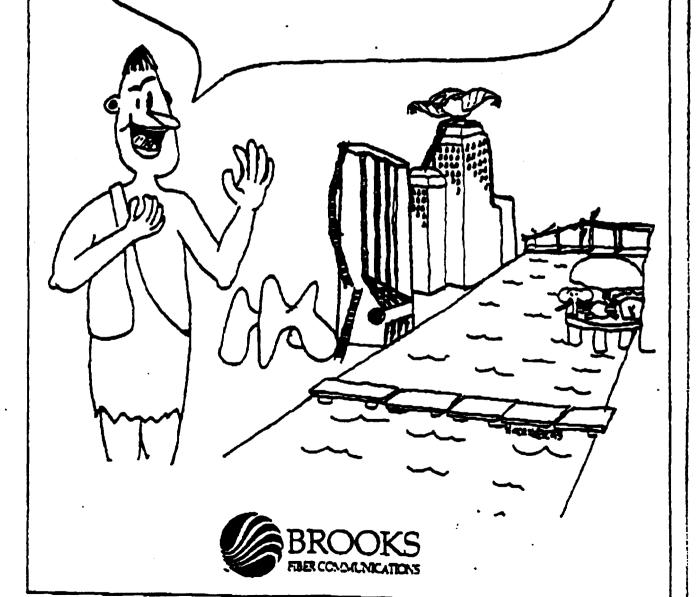
6.36

Hi there!
The name's Chet, Chet VanStone;
and I wanna fill ya
in on a coupla' things.

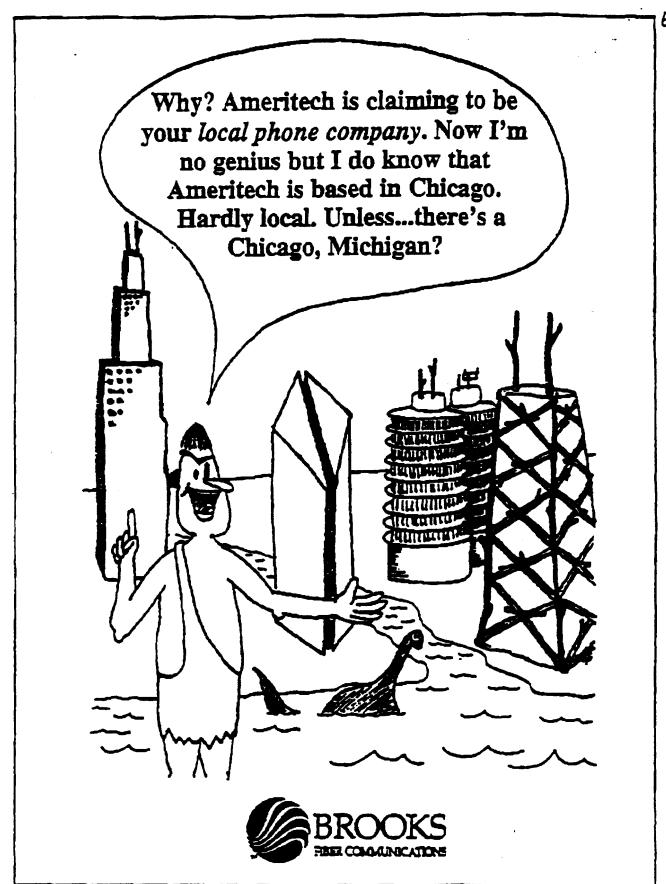


Exhibit 6.37

First; this ain't Chicago. Now I know that you understand that, but Ameritech is under the impression that it is. Ask me why?



Exhibi 6.3



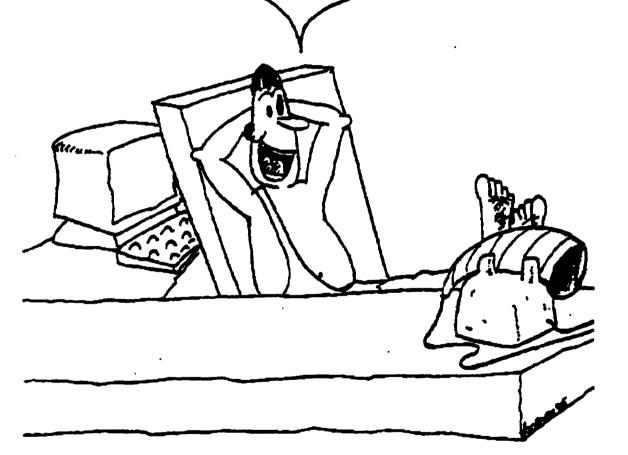
Queste

Exhibit 6.39

Hey, relax. There is a local phone company right here in Grand Rapids.

Brooks started here and is growing here. Brooks . . .

Now that's local





(616)-224-4200

The

BEST

thing to happen

IN

Grand Rapids

since

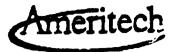
well..the last thing

Brooks Fiber Communications is proud to announce the anival of Local Access Telephone Service to the Grand Rapids area. We have been working hard to bring your business the clearest signal possible with the best service available. To find our how you can benefit from this exciting new development, please call us at 1-800-224-4200.

(616)-224-4200



Question 6



News Clips Exhibit 6.

The Grand Rapids Press, October 9, 1894, Classifieds Section

At US Signal Corporation, our goal at to be the forement informations to be a from provider in the mean we serve. We tion on amore photony that by combining tend, long duliness and extensive call procuring expeditions.

Currentend growth and success have counted executions apparentiates for effective manuscratter in princia in in use Grand Repair & Southful, MJ affects

Major Account

- · Background in Sales, Telephony & Data Merverland · Soldern selling to major accessio

Technical Marketing Consultant (Ed. 791)

- · Participale is their selbal

Public Telephone Sales

- · Brong background in Sales & Telephony · Public wiephore using asperunce proletted

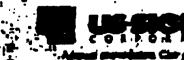
Centrex Applications Representative (Ext. 810)

Project Engineer

(Grand Rapids office only) (Ext. 813)

- · Ability to work on drading propert telebra to communications by tends & tempologies





11 TOTAL PAGE . QUE "1

MPSC Case No. 4-1110+ Attachment,
Question 6

Exhil 6.42

NOW YOU CAN BENEFIT FROM

LOCAL PHONE SERVICE COMPETITION

NY I

SINGNAI

HERE'S WHY:

BETTER CUSTOMER CARE

- a 24 hours a day, 7 days a week, we're here.
- Whatever it takes to keep you satisfied, we'll do it.
- Because if you're not satisfied, we know Ameritech is only a phone call away.

LOWER YOUR COALAUNICATIONS COST

- a Save up to 20% on monthly line charges.
- 5 Save up to 50% on enhanced features.
- s Savings on local, zone, and toll cailing.

IMPROVE YOUR PRODUCTIVITY

- a uncrease your business' productivity and improve your existing phone service with new enhanced features like voice Mail. Call Forwarding, and Conference Calling.
- Other innovative approaches like combining voice, data 4 video, can make improvements where it counts ... on the bottom line,

YTDUYAR

- · One point of contact.
- s. One stop shopping.
- Easy-to-read invoices.
- You'll have more time, and after all time is money.

WE KNOW YOUR MARKET

- Founded in West Michigan and operated here for over ten years.
- As one of Michigan's fastest growing and most respectively telecommunications companies, we understand this market and can provide your business with the communications additions that will help you succeed.

MEN IDEAS

- Creative solutions.
- The first local telephone survive compositor American has ever faced.
- For your business success. US Signal Advanced Communications. Clear and Simple.

A WELCOME CHOICE US SIGNAL

ntil now, you've never been able to choose your own local phone company. Now, for the first time in history you have a choice: And that choice is US SIGNAL, the first company in the country to compete with Ameritech for local phone service.



they also knew mer burnes...

they also knew me by name, we trust
them." - Kiris Past
Airmey Copper, Inc.

Nearty 20.000 businesses continue
to trust US Signal with their long
distance service. They rely on our
ability to provide them, day in and
day out, with the highest quality
technology and service. Now we
are bringing the same high quality
and customer care to local phone

service. Our customers trust us. We value that trust, we'll carn yours.



WE EXCEL AT CUSTOMER SERVICE

applicable to matter what time of day."

Surface Pitters

White of White Pharmacy, Inc.

24 hour a day customer care.

Well trained and concerned customer representatives. A local company who considers your satisfaction our highest priority. All of these things and more are why we are so successful at satisfying customers in the litigity competitive long distance market.

We are used to competition and know that our bast weapon is serving our customers bener than the alternatives. Our customers are important to us. You can count on the fact that we'll consider you important soo.



WE KNOW YOUR MARKET

"They make it a point to work with me to help us he more production." Sandre Wiltzer Witmark, Inc.

We are a West Michigan Company with West Michigan roots. We know this market, it's our market too, and we know the factors that affect you every day. We know the business climate. We know the people. And that makes us very good at providing what business with the best advice on local phone services. Our customers depend on our knowledge, so we give them the information they need when they need it. We are ready to make our knowledge years i asset.

QUALITY TECHNOLOGY QUALITY PEOPLE

"Their systems and technology are very reliable... their people care about my busines." - David VenRendryk Burrea Electronic Distribusing, Inc. At US Signal technology is a given. We spare no expense to install the most advanced communications technology available today. Our engineers work lirelessly to provide our customers with all that telecommunications has to offer. However, quality lectrology is only useful if quality people are pur of the equation. Our people are used to providing creative solutions to your business needs. That's why our customers believe were different. Our customers know that our people really care about them. We demonstrate it to them every day. We're sure you'll see the difference too.

OMPETITIVE SERVICE OMPETITIVE PRICES

A price/value." - The Habitation of price/value." - The Habitation Reference Bible Calley.

Competitive prices and quality of service have always been US Signals tradomark. With local phone service we offer your business Lines. Standard and Digital Business Lines. Direct inward Disling, and ISDN (PRI). We'll also be bringing you advanced call features like Call Porwarding. Call Waiting. Caller ID, Voice Mall. Conference Calling. and many. many others. With competition finally here you call the sure that we'll give our clusion are what they want and need. We always accompilially what we set out to clo. We think you'll soon agree.

US SIGNAL SERVICES

- 8 Standard Business Line Service
- s Digital Business Line Service
- . ISDN-Primary Rate Interface (PRI)
- E Direct Inward Dialing Service (DID)

ADVANCED FEATURES

- Voice Mail
- a Call Forwarding
- = Call Walting
- s 3-Way Conference Calling
- 6 Caller ID

INTEGRATED SERVICES

- e Local Calling
- . Long Distance Calling
- Dedicard Voice/Data Lines
- Directory Assistance Service
- White Pages Directory Listing

RISK FRE

- Keep Your Present Number
- a Free installation (limited time only)
- Transparent Conversions
- We Work Directly With Your Equipment Vendor
- Self-Healing Fiber Optic Network

or level of Customer Care,
we'll pay your way back to Ameritech
anytime in your first year of service.